

ATLAS MINING COMPANY

- Incorporated 1924 -

Mining, Natural Resource & Land
Development

P.O. Box 968, Osburn, Idaho 83849
Telephone (208) 556-1181 • Facsimile (208) 556-6741

Symbol: **ALMI**

October 2, 2002

Mr. Tom Munson
Utah Department of Natural Resources
Division of Oil, Gas and Mining
Box 145801
Salt Lake City, Utah 84114-5801

Fax: 801-359-3940

Dear Mr. Munson:

Enclosed are two pages that have changes regarding our application to commence mining operations. Instead of taking samples from the pit wall, we will be drilling up to 5 holes to define the deposit believed to be in that area. The area in which we will drill is flat and there will be no need for any road construction. If the drilling results are positive, we will put together a plan for a decline to access the deposit. We will also enter the existing shaft to see if the deposit can be accessed via that method. The ground disturbance at this time will be minimal due to the already existing topography.

The area we will be working in is the N.W. ¼ of the N.E. ¼ of Section 31, Township 10S, Range 2, in the Eureka Quadrangle.

Please let me know if you need any additional information.

Sincerely,



William T Jacobson
President

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DIVISION OF
OIL, GAS AND MINING

Enc. this plus two pages.

MISSION STATEMENT: The Company is in the business of pursuing mining, real estate, and any other commercial related business to promote the profitable interests of the company and its shareholders.

Form MR-EXP

Page 3

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

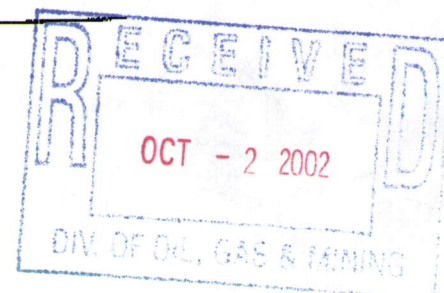
8. Does the operator have legal right to enter and conduct exploration on the land covered by this notice? Yes _____ No _____.

II. **MAPS & DRAWINGS** (Rule R647-2-105)

A topographic base map showing the location of the proposed exploration project must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

III. **PROJECT DESCRIPTION** (Rule 647-2-106)

1. Minerals to be explored: Halloysite Clay
2. Identify the type or method of exploration proposed (place an "X"):
 Cuts Pits Trenches Shafts Tunnels
 Air Drilling Fluid Drilling
 Other (describe) _____
3. Proposed Disturbances (Approximate):
Drill Pads: How many? 5 Width 10 (ft) Length 30 (ft)
Drill Holes: How many? 5 Depth 300 (ft) Diameter 3 (in) NX Core
Shafts, trenches, pits, cuts, or other types of disturbance.
Describe type, how many of each, and general dimensions.
If drilling indicates viable deposit, will put plan
together for a decline if existing shaft cannot be used to
access deposit
☐ New Road(s): Length _____ (ft) Width _____ (ft)
☐ Improved Road(s) Length _____ (ft) Width _____ (ft)
Total project acreage to be disturbed _____ (acres)
4. Proposed exploration schedule (dates):
Begin: 10/15/02 End: 10/25/02



Form MR-EXP

Page 5

V. **VARIANCE REQUEST** (Rule R647-2-110) Yes X No

Rules R647-2-107, Operation Practices; R647-2-108, Hole Plugging Requirements; and R647-2-109, Reclamation Practices are summarized on the preceding page. Any planned deviations from these rules should be identified below and justification given for the variance request(s).

Item Number	Variance Request Justification
_____	All exploration & mining will take place in
_____	existing pit where there is no top soil
_____	_____

VI. **PERMIT FEE** [Mined Land Reclamation Act 40-8-7(l)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (l)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the operator and released by the Division.

Exploration Notices require a \$100.00 fee which must accompany this application or it cannot be processed by the Division.

VII. **SURETY** (Rule R647-2-111)

Note: Completion of this section is not necessary for exploration projects that will disturb five or less surface acres.

Exploration projects that will disturb more than five acres at any given time are required to post a reclamation surety. The surety must be provided to the Division prior to commencement of operations. In calculating the surety amount, the Division will consider the following major steps:

- 1) Hole plugging
- 2) Backfilling, grading and contouring.
- 3) Soil material redistribution and stabilization.
- 4) Revegetation (preparation, seeding, mulching)

To assist the Division in determining a reasonable surety amount, please attach a reclamation cost estimate which addresses each of the above steps.

VIII. **SIGNATURE REQUIREMENT**

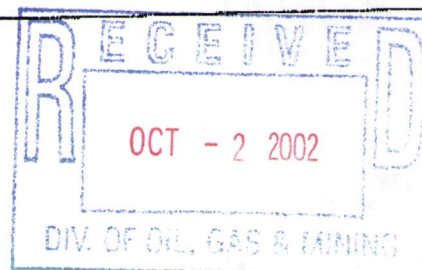
I hereby commit to the reclamation of the aforementioned exploration project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant: _____

Name (typed or print): _____

Title/Position (if applicable): _____

Date: _____



Form 101-0000

Page 1

VII. PERMIT FEE (Mined Land Reclamation Act 40-8-7(1)(D))

The Utah Mined Land Reclamation Act of 1975 (40-8-7(1)(D)) provides the authority for the assessors of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to ~~any~~ and ~~existing~~ notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator.

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

(Please check the box and place your initials on the line provided)

- ☒ I have enclosed the required permit fee.
☒ I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

Signature of Permittee/Operator/Applicant: William T. Jacobson
Name (typed or printed): William T. Jacobson
Title/Position (if applicable): President
Date: September 15, 2004